

Message Text

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ACTION EB-07

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TAGS: EFIN, CG

SUBJECT: PAN AM - ZAIRE RELATIONS ON THE MEND

REF: KINSHASA 3259

1. RELATIONS BETWEEN PAN AM AND MINTRANSPORT INONGA APPEAR ON THE UPSWING AS RESULT OF PAN AM'S FENCE MENDING OPERATIONS IN KINSHASA THIS WEEK. PAN AM VPS ERSKINE RICE AND ROBERT W. BLAKE (STAFF VP FOR SPECIAL PROJECTS) PUT TOGETHER AN IN DEPTH BRIEFING FOR INONGA ALONG WITH MINFINANCE BOFOSSA AND DIRECTOR GENERAL OF NATIONAL BANK.

2. BRIEFING PRESENTATION, WHICH INCLUDED THE TAP TEAM, ALONG WITH ZAIRIAN AND EXPATRIATE PERSONNEL OF ZAIRE ZAIRE, WAS WELL EQUIPPED & REHEARSED AND IT CLEARLY SEEMED TO HAVE HAD THE DESIRED EFFECT ON INONGA. THEY WERE ABLE TO SHOW A CONSISTENT RECORD OF ACHIEVEMENT DATING FROM 1970 WITH AN ESPECIALLY GOOD SHOWING FOR THE PRECEDING YEAR. STRONG POINTS INCLUDED OPERATIONS, TRAINING AND MAINTENANCE WITH ADMINISTRATION AND FINANCE COMING OFF RATHER LESS WELL.

3. THE ECONOMIC-FINANCE AREA REMAINS THE MOST DIFFICULT PROBLEM. THIS IN PART DUE TO THE INTERNATIONAL AIR TRANSPORT SITUATION IN WHICH PRACTICALLY ALL MAJOR AIR-

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LINES ARE LOSING MONEY. MAJOR PROBLEM EXISTS HOWEVER

IN LOCAL AREA BECUASE OF SHORTAGE OF COMPETENT PERSONNEL, POOR WORKING CONDITIONS, LACK OF UP-TO-DATE EQUIPMENT AND TECHNIQUES, AND, NOT LEAST OF ALL, LITTLE UNDERSTANDING AMONG GOZ OFFICIALS THAT ANY AIRLINE, NO MATTER HOW ELL MANAGED, REQUIRES MAJOR SUBSIDIES DURING ITS FIRST YEARS OF OPERATIONS. (A SENIOR GOZ OFFICIAL HAD TAKEN THE ATTITUDE" OKAY, WE GOT YOU SOME MODERN AIRPLANES NOW GO OUT AND MAKE SOME MONEY"), AIR ZAIRE WILL REQUIRE 17-20 MILLION ZAIRES ANNUALLY IN SUBSIDIES TO REACH THE BREAK EVEN POINT IN ABOUT SEVEN YEARS. THIS SUM DOES NOT INCLUDE THE AMORTIZATION OF NEW AIRCRAFT.

4. AS A RESULT OF THIS PRESENTATION INONGA AND COLLEAGUES BELIEVED TO HAVE A SOBERED VIEW ON AIR-ZAIRE PROBLEMS AS WELL AS NEW APPRECIATION OF PAN AM'S EFFORTS. WITH THE DEPARTURE OF CLAUDE HUTT WHO BECAME PERSONA NON GRATA, RICE FEELS THEIR MAJOR DIFFICULTIES WITH INONGA ARE NOW BEHIND THEM. IN FUTURE TAP TEAM WILL BE MORE ATTENTIVE TO ZAIRIAN SENSITIVITIES AND MAKE SURE THEY ARE INCLUDED IN ON ALL TEAM MEETINGS DEALING WITH THE AIRLINE. MEANWHILE VP BLAKE WILL TAKE OVER THE DIRECTION OF THE TAP TEAM FOR AN INTERIM PERIOD UNTIL A NEW TEAM CHIEF IS LOCATED.

5. TO TOP OFF THE REFURBISHED PAN AM-AIR ZAIRE RELATIONS INONGA SUGGESTED TO RICE NEAR CLOSE OF TALKS THAT HE WOULD LIKE TO NAME A ZAIRIAN AS DELEGUE GENERAL OF AIR ZAIRE WITH THE NEW PAN AM MAN GIVEN THE TITLE OF DELEGUE GENERAL ADJOINT OR DIRECTOR GENERAL. HE WOULD OTHERWISE MAINTAIN THE SAME RESPONSIBILITIES AS INCLUDED IN THE PRESENT CONTRACT. RICE CONSIDERED IT "FORTUITOUS" THAT THE MINISTER HAD COME UP WITH THIS IDEA SINCE HE COULDN'T AGREE MORE. HE IS PREPARED AMEND TAP CONTRACT IN THIS SENSE.

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